Proper utilization of foreign exchange reserve

†1526. SHRI JANESHWAR MISHRA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government is unable to make optimum utilization of foreign exchange reserve;

(b) if so, whether it is also a fact that if foreign exchange reserve's were not properly utilized, they would distort exchange rate thereby causing huge losses to the export industry;

(c) whether Government is going to formulate any action plan for proper utilization of foreign exchange reserve; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) The foreign exchange reserves are fully utilized. The Reserve Bank of India invests foreign exchange reserves in multi-currency, multimarket portfolios.

(b) to (d) Does not arise.

Rise in prices of essential commodities

1527. SHRI MATILAL SARKAR: Will the Minister of FINANCE be pleased to state:

(a) the extent of rise of prices of food-grains and other essential commodities from April, 2006 to October, 2007.

(b) the reasons other than demand-supply relation that have acted to accelerate price-rise;

(c) whether Government has made any assessment as to what extent the Minimum Support Price (MSP) reaches the farmers in reality; and

(d) the steps taken by Government in this respect?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) The monthly inflation measured in terms of WPI for foodgrains and composite index of 30 essential commodities has moderated in recent months. Month-wise detail of inflation since April 2006 is indicated below:

WPI based monthly inflation (%)

Period	Foodgrains (5.01 weight)		Essential commodities (17.63 weight)	
	2006-07	2007-08	2006-07	2007-08
1	2	3	4	5
Apr.	8.60	8.48	5.91	3.26
May	9.77	7.22	7.64	1.67
June	8.95	6.45	8.59	0.85
July	7.52	7.70	5.44	2.84
Aug.	8.30	7.26	5.30	2.73
Sep.	10.96	**4.21P**	7.24	**1.19P**
Oct.	12.62	**2.71P**	7.66	**0.50P**
Nov.	12.68	—	6.63	—
Dec.	13.10	—	6.42	—

†Original notice of the question was received in Hindi.

1	2	3	4	5
Jan.	10.85	—	5.14	—
Feb.	9.98	—	4.24	—
Mar.	8.37	—	3.38	—

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(b) to (d) Containment of inflation remains high on the agenda of the Government. Anti-inflationary policies of the Government include strict fiscal and monetary discipline, rationalization of duties of essential items so that there is no undue burden on the poor, effective supply-demand management of essential commodities through liberal tariff and trade policies, and strengthening the public distribution system.

Recovery of credit card loans by banks

†1528. SHRI PYARE LAL KHANDELWAL: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that despite all the guidelines issued by Government and Reserve Bank of India, banks are still recovering their credit card loans through muscle men (recovery on contract);

(b) whether it is also a fact that even State Bank of India (SBI) the most reputed bank in the country is also taking shelter of this means for the recovery of its credit card loans;

(c) if so, the instruction on the basis of which SBI is involved in the said activity alongwith the details of the said contract of illegal recovery; and

(d) if not, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (d) Information is being collected and will be laid on the Table of the House.

Joint strategy of IMF and WB

1529. SHRIMATI SUPRIYA SULE: Will the Minister of FINANCE be pleased to state:

(a) whether the International Monetary Fund (IMF) and the World Bank (WB) are developing a joint strategy to aid low-income countries which would define their separate roles;

(b) if so, whether this plan is intended to help ensure that the efforts of these key institutions remain well-coordinated and consistent, while leverging each institution's resources effectively;

(c) if so, by when a final decision in this regard is likely to be taken; and

(d) to what extent this will help India in reducing the poverty alleviation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) Yes, Madam. World Bank and International Monetary Fund (IMF) have developed a joint strategy to improve coordination on country issues, enhance communications between the staffs of the two institutions working on common thematic issues, and improve incentives and support for collaboration on policies, reviews and other institutional issues. The strategy contributes to clarifying how the Fund and the Bank can work more effectively together, including in low-income countries.

†Original notice of the question was received in Hindi.